

THE ARMY REPROGRAMMING DIRECTIVE



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ARMY REPROGRAMMING GENERAL GUIDANCE

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CHAPTER 1-- INTRODUCTION

1. General. The Department of Defense (DoD) Appropriations Act and the Military Construction (MILCON) Appropriations Act are enacted each fiscal year to provide funding for execution of specific programs. The National Defense Authorization Act provides authority to execute specified DoD programs. These acts provide a certain degree of flexibility to DoD, permitting the Department to request realignment of appropriated funds in order to fund higher priority items than those for which the funds were originally provided. Reprogramming is the realignment of funds in order to use them for purposes other than those originally approved by the Congress at the time of appropriation or authorization. Reprogramming actions do not represent requests for additional funds from the Congress; rather, they involve the reapplication of funds already provided. A reprogramming action may also involve an increase of quantities to be procured above that approved by the Congress, without requiring any movement of funds. The Congressional committees and subcommittees concerned with the appropriation and authorization of DoD funds are the House of Representatives Committee on Appropriations (HAC) and the National Security Subcommittee of the HAC; the Senate Committee on Appropriations (SAC) and the Subcommittee on Defense of the SAC; the House of Representatives Armed Services Committee (HASC); and the Senate Armed Services Committee (SASC). The committees and subcommittees concerned with MILCON funds are the Subcommittees on Military Construction of the HAC and SAC; the HASC; and the SASC.

2. Purpose.

a. There are no public laws or other official Congressional documents that consolidate all of the rules for reprogramming DoD and MILCON appropriated funds. The Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) has published reprogramming guidance in the Financial Management Regulation (DoD FMR). That guidance is supplemented from time to time through memoranda and verbal guidance. The guidance reflects agreements that have been negotiated between DoD and the Defense Congressional oversight committees on reprogramming policies and procedures, as well as specific direction from the committees. The committees frequently restrict funding flexibility through language contained in the annual committee and conference reports. The purpose of this directive is to consolidate current Congressional and OUSD(C) guidance into a single document to be used as the basis for Army reprogramming. This guidance is subject to change as a result of Congressional or Office the Secretary of Defense (OSD) direction.

b. Reprogramming rules and procedures for appropriations covered by the DoD Appropriations Act differ significantly from those that apply to appropriations covered by the MILCON Appropriations Act. Reprogramming for DoD appropriations is addressed in Chapters 2 and 3 of this directive; for MILCON appropriations, reprogramming is addressed in Chapter 4. Because the DoD appropriations are contained in a different legislative act from the MILCON appropriations, transfers or reprogrammings are not permitted between DoD and MILCON appropriations.

3. Responsibilities and Applicability. This directive is applicable to all Army components processing reprogramming actions. The Office of the Assistant Secretary of the Army (Financial Management and Comptroller) (ASA(FM&C)); Management and Control Directorate; Budget Execution, Policy and Funds Control Division (SAFM-BUC-E) is responsible for controlling and administering the Army reprogramming process.

4. Sources of Guidance.

a. The DoD Financial Management Regulation, Volume 3, "Budget Execution – Availability and Use of Budgetary Resources." Reprogramming guidance is contained in chapter 6, "Reprogramming of DoD Appropriated Funds", and chapter 7, "Reprogramming of Military Construction and Family Housing Appropriated Funds."

b. The DoD Appropriations Act (Annual) and related Congressional committee and conference reports. This act provides funding for the Military Personnel, Operation and Maintenance (O&M), Procurement, and Research, Development, Test and Evaluation (RDTE) appropriations, as well as for other miscellaneous Army and DoD appropriations.

c. The MILCON Appropriations Act (Annual) and related Congressional committee and conference reports. This act provides funding for the Military Construction and Family Housing appropriations, as well as for other related miscellaneous appropriations.

d. The National Defense Authorization Act (Annual) and related Congressional committee and conference reports. This act provides authority to execute DoD and MILCON programs and appropriated funds.

e. Subsequent guidance will be provided by DoD as required, either verbally or via memoranda, and in subsequent editions of the DoD FMR.

CHAPTER 2 -- RULES FOR REPROGRAMMING OF DOD FUNDS

1. General. This chapter addresses the rules for reprogramming of funds appropriated in the DoD Appropriations Act, that is, Military Personnel, O&M, Procurement, and RDTE funds.
2. Reprogramming Base. DoD funds are appropriated and authorized by law at the total appropriation level. Within each appropriation, a base for reprogramming is established from which reprogramming actions may be taken. The appropriations and authorization conference reports show the supporting detail of each appropriation, and provide information to establish the base for reprogramming. For Military Personnel and O&M appropriations, the base is the budget activity level within each appropriation. For Procurement appropriations, the base is the budget line item (BLIN) level within each budget activity. For RDTE, the base for reprogramming is the program element (PE) level within each budget activity.
3. Reprogramming Thresholds. The Congress and DoD have agreed on various thresholds for reprogramming. These thresholds are applicable at the reprogramming base level for each appropriation category. Any realignment action which will exceed the threshold for a given appropriation must be submitted to DoD and the Congress for approval via the normal reprogramming process. Below are the thresholds for each appropriation category:

<u>CATEGORY</u>	<u>THRESHHOLD</u>
Military Personnel	Cumulative increase of \$10 million or more to any budget activity
O&M	Cumulative increase of \$15 million or more to any budget activity
Procurement	Cumulative increase of \$10 million or more to any BLIN New BLIN totalling \$2 million or more New BLIN estimated to cost \$10 million or more within a three-year period Cumulative decrease of \$10 million or more or 20% of BLIN level, whichever is greater Termination of any program which results in elimination of a procurement program Termination of a subprogram of \$10 million or greater within a procurement program
RDTE	Cumulative increase of \$4 million or more in an existing PE in a single program year New subproject, project or program totalling \$2 million or more New subproject, project or program estimated to cost \$10 million or more within a three-year period Cumulative decrease of \$4 million or more or 20% of appropriated level, whichever is greater; Termination of any program which is equal to the total amount of the program element Termination of a subprogram or project of \$10 million or more within a program element

4. Use of General Transfer Authority. General transfer authority is provided each year in the general provisions of the DoD Appropriations and the Defense Authorization Acts. These provisions provide authority to initiate transfers of any amount between appropriations. General transfer authority is provided for a specified amount each fiscal year, which may not be exceeded cumulatively by the DoD during that year. Each reprogramming action that transfers funds between appropriations decreases the amount of transfer authority available for the remainder of the year by the amount of the transfer. For any reprogramming request which requires the use of general transfer authority, the Secretary of Defense must make a determination that the action is necessary in the national interest. Actions requiring the use of general transfer authority must also be approved by OMB prior to submission to the Congress, or in the case of internal reprogrammings, after approval by DoD. Transferred funds are merged with, and are available for the same purposes and time periods as, the appropriation or fund to which transferred.

5. Reprogramming Documents. There are three basic documents used in the reprogramming process.

a. Base for Reprogramming Actions (DD 1414). This report is prepared each fiscal year once the DoD Appropriations Act has been enacted. It provides, for each appropriation, an audit trail from the President's Budget position to the amount appropriated by the Congress. This document establishes the base for reprogramming actions at the level of detail required for each appropriation. Preparation instructions are in Chapter 3.

b. Reprogrammings or Transfers. There are five types of actions which are used to request or initiate a realignment of resources. Instructions for preparation and submission are found in Chapter 3. They are:

(1) Prior Approval Reprogrammings (DD 1415-1). Actions that require prior approval of the Congress are submitted through OUSD(C) to the HAC, the SAC, the HASC, and the SASC. If the action involves intelligence items, the reprogramming is also submitted to the House Permanent Select Committee on Intelligence (HPSCI) and the Senate Select Committee on Intelligence (SSCI). Letters of approval are required from each of the committees before the transfer may be initiated by OUSD(C). Actions that require prior approval include:

a. Any reprogramming that makes use of general transfer authority (that proposes transfers of any amount between appropriations, or for OPA, between budget activities) and changes the purpose for which the funds were originally appropriated;

b. Any reprogramming that affects an item known to be or designated on the DD 1414 as an item of special Congressional interest;

c. Any reprogramming that increases the procurement quantity (as authorized in the National Defense Authorization Act) of a major end item, specifically: aircraft and related support equipment; missiles and related support equipment; tracked combat vehicles and related support equipment; or other weapons and related support equipment. In those cases where Congressional language permits additional quantities to be procured within appropriated funds, increases to quantities for major end items will be requested via an internal reprogramming. Ammunition and other, non-weapon items are not affected by this requirement since they are not authorized by quantity;

d. Any change in the application of funds within an appropriation that exceeds the thresholds in paragraph 3 above;

e. Any realignment of funds from the reimbursable program to the direct program for proceeds of sales for replacement of end items sold from inventory, when the replacement item is not identical to the item sold, but is a modification or upgrade of the same basic model.

(2) Internal Reprogrammings (DD 1415-3). Internal reprogrammings are internal audit-trail type actions processed within DoD and approved by OUSD(C). They do not require Congressional prior approval or notification. These actions are not otherwise constrained by law or other provisions and do not involve any changes from the purposes for which the funds were originally appropriated. Internal reprogrammings serve several reprogramming needs, including reclassification of funds, use of designated transfer accounts, and approval to increase quantities.

a. Reclassification Actions. In certain instances, it is necessary to reclassify the application of funds between appropriations, within an appropriation, between budget activities, line items, or program elements, differently than that shown in the budget justification material. Such reclassifications, not involving any change in program or amounts, do not represent changes in the original purpose of the application of resources. In general, such transfers are required in order to place funds in the proper line from which to execute the program. In those cases where funds are transferred between appropriations, use of general transfer authority is required; however, prior approval of the Congress is not required.

b. DoD Transfer Accounts. Transfer accounts are established by law to be used solely to reprogram funds to or from other appropriations for specified purposes. Transfer authority for these accounts is made available separately from general transfer authority, and movements of funds to or from these accounts do not require the use of general transfer authority. Transfers to or from the Foreign Currency Fluctuations, Defense account are approved pursuant to authority provided in Public Laws 95-457, 92 Stat 1236; 96-38, 93 Stat 100; and 97-377, 96 Stat 1865. Transfers to or from the Foreign Currency Fluctuations, Construction, Defense account are approved pursuant to authority provided in Public Laws 99-591, Sec. 121, 100 Stat 3341-293; and 102-136, Sec. 122, 105 Stat 643. Transfers to or from Environmental Restoration, Defense; Drug Interdiction, Defense; and other transfer accounts are approved pursuant to authority provided in the current annual DoD Appropriations Act.

c. **Increases of Procurement Quantities.** In those cases where Congressional language permits additional quantities of major end items to be procured within appropriated funds, increases to quantities may be approved via an internal reprogramming.

(3) **Transfers.** There are two types of transfers which take place outside the normal reprogramming process. Transfers may be initiated by DoD in response to Congressional direction. Additionally, funds may be transferred between agencies or appropriations via a transfer of disbursement authority.

a. DoD initiates transfers in response to Congressional direction contained in the appropriations acts or supplemental legislation. Such transfers do not require separate approval of the Congressional committees. Transfers are implemented by memorandum from DoD and do not utilize the DD 1415. While those realignments that utilize the DD 1415 process specify the level of detail of the increase or decrease, a transfer is directed only at the appropriation level. The Service involved has the authority to distribute the increase or decrease within the appropriation, subject to any additional guidance provided by OUSD(C). Distribution of transfers is reported on the semiannual DD 1416, Report of Programs.

b. Transfers of funds between agencies may be accomplished without the use of a reprogramming or transfer memorandum, via a Nonexpenditure Transfer Authorization (SF 1151) which is processed through the Department of Treasury. Such transfers are initiated by the losing agency. Examples of such transfers include the transfer of counter-drug funding from the White House Office of National Drug Control Policy to the Army.

(4) **Letter Notifications.** Advance notification by letter of reprogrammings for new programs or line items, not otherwise requiring prior approval or notification, will be made to the HAC, SAC, HASC, and SASC (and to the HPSCI and SSCI, if applicable). Letter notifications are required for new Procurement BLINs or new RDTE programs, subprograms or projects totalling less than \$2 million, and for program terminations which fall within the amounts normally allowed for below-threshold reprogramming. Letters are prepared and submitted by each Service directly to the committees. Advance coordination with appropriate OUSD(C) directorates is required. Letter notifications submitted by the Army are signed by the ASA(FM&C). The Congressional committees have 30 calendar days from receipt to respond to letter notifications. If no response is received at the end of that time, and if confirmation is received that the committees have no objection, the action may be implemented by the Service.

(5) **Below-Threshold Reprogrammings.** Below-threshold actions are those that do not meet or exceed the reprogramming thresholds cited in paragraph 3 above, either individually or in combination with other below-threshold actions, over the active life of the appropriation. Below-threshold reprogrammings do not require prior approval or notification of Congress or DoD, except in the cases noted above for letter notifications. They may be implemented at any time after enactment of appropriations, at the discretion of the appropriation sponsor. They are reported on the DD 1416, Report of Programs.

It should be noted that all factors must be considered when deciding which type of reprogramming action is appropriate. For example, any reprogramming involving a Congressional special interest item, even if it is below-threshold, must be submitted as a prior approval reprogramming request.

c. **Report of Programs (DD 1416).** The Report of Programs is prepared semiannually and provides, for each appropriation, an audit trail from the Congressionally approved base for reprogramming to the current funding level as of March 31 and September 30. The report is prepared once execution reports for the reporting period have been made available. It reflects enacted supplementals and rescissions, approved reprogramming actions and transfers, Congressionally directed undistributed adjustments, and below-threshold reprogramming actions implemented by Army. Preparation instructions are found in Chapter 3.

6. **Reprogramming Eligibility.** A reprogramming request may only be for higher priority items, based on unforeseen military requirements, than those for which the funds were originally appropriated. There are several types of items that are ineligible for reprogramming:

a. A reprogramming action will not be submitted for any item that has been specifically denied by the Congress. However, if the Congress reduced an item to zero without prejudice as part of a general budget reduction, a reprogramming to reinstate funding to the item may be submitted.

b. In its Report 102-95, page 37, the HAC has stated that it will not entertain any reprogramming of funds from the reserve component to the active forces.

7. Timing of Reprogramming Requests. Reprogramming requests for currently available DoD appropriations may be initiated after enactment of the DoD Appropriations Act for those appropriations, and may be submitted at any time during the life of the appropriation.

a. Continuing Resolution Authority (CRA) restrictions. Reprogrammings involving new appropriations may not be initiated prior to enactment of appropriations. However, reprogrammings for previously enacted available appropriations may be submitted during a CRA period.

b. Omnibus reprogramming process. The practice of submitting an “omnibus” reprogramming action each year to the Congress was initiated by DoD in FY 1991. The purpose of the “omnibus” is to incorporate all DoD reprogramming requirements into a single package, which is considered by the Congressional committees as a whole. The “omnibus” reprogramming consists of prior approval reprogrammings submitted by all Services. Internal reprogramming requests, which do not require Congressional approval, are not included in the “omnibus” process. OUSD(C) will issue a data call for “omnibus” reprogramming requirements, usually in the March/April timeframe. SAFM-BUC-E will gather requirements and sources from all Army elements (including the National Guard and Army Reserve) and will consolidate them into a single Army package for submission to OUSD(C). The submission must include sufficient sources to offset requirements; in other words, the package must net to zero.

c. Other reprogramming requests. Prior approval reprogramming requests submitted outside the “omnibus” reprogramming cycle, before or after the submission process, will only be made for those actions involving critical requirements or unforeseen circumstances causing an emergency situation. In such cases, individual reprogramming actions will be entertained. The justification contained in the request must clearly define the urgency of the requirement and must be defensible to OSD and the Congress. Internal reprogramming requests, which are not included in the “omnibus” process, may be submitted at any time.

8. Additional Guidance.

a. Identification and Justification of Reprogramming Requirements and Sources. In general, only requirements that merit a higher priority than the purpose for which funds were originally appropriated should be submitted for reprogramming. Justifications for increases should focus on the requirement for the increase and should address why it was not included in previous budget requests. The purpose of the justification information should be to persuade the approving authority that the requirement is sufficient to alter the previously approved funding structure; if justification is insufficient, the requirement may be denied. Similarly, extreme care should be used in identification of sources so that approved increases may be fully funded. Justification should be sufficient to demonstrate why the funding should be made available to meet the new requirement. If a source has the potential to raise controversy, it may be denied, which renders it unavailable to fund the requirement. DoD has the right to appeal a committee disapproval and request reconsideration. However, in most instances, DoD will not request reconsideration of denied increases nor submit replacements for any denied sources. For the “omnibus” reprogramming, great care should be exercised in providing sources that are not likely to be disapproved, in order to provide full funding for requirements. Frequently, the committees have approved the majority of the requested increases, but have denied many of the proposed decreases. As a result, insufficient sources are approved to fully fund approved requirements. Additionally, restrictions may be placed on how requirements are to be funded, e.g., a committee may direct that readiness requirements are to be funded first. In such a case, DoD must follow Congressional direction. In its implementation of the reprogramming, DoD will apply the approved sources against the most urgent requirements. Requirements that have been approved, but for which insufficient approved sources are available, may be funded by the Services using below-threshold sources, provided that none of the sources have been specifically denied by the Congressional committees as a reprogramming source.

b. Status of Funds Identified for Reprogramming Requirements. No reprogramming request will be approved where the funds requested have been obligated or committed prior to Congressional committee review and approval. The obligation of funds prior to Congressional consideration denies the committees a realistic option to deny the request. Such a

procedure places the committees in the position of having to approve the request or deny all funds for the continuation of the program. This practice impinges upon the Congressional committees' rights and responsibilities.

c. Withdrawal of Reprogramming Requests. When approval of a reprogramming action submitted to OSD, but not yet approved, is no longer required, then the action should be formally withdrawn. The office initiating the action will prepare a withdrawal memorandum to OUSD(C) for the signature of the ASA(FM&C), and will coordinate and submit the memo through the same channels as were used for the original reprogramming request. Full justification for the withdrawal should be included in the memorandum. If the action requires Congressional approval and has been forwarded to the Congress, but is not yet approved by all committees, the office initiating the action will prepare withdrawal letters to the Congressional committees for the signature of the Comptroller of the Department of Defense, and will include them in the withdrawal package submitted to OUSD(C). Again, full justification for the withdrawal should be included in the letters. If the action has already been approved by one or more committees, the letters to those committees should express appreciation for their approval.

d. Reprogrammings Involving Intelligence Items. Reprogramming actions which include increases or decreases to Joint Military Intelligence Program (JMIP), Tactical Intelligence and Related Activities (TIARA) and National Foreign Intelligence Program (NFIP) items follow the same rules as other reprogramming actions. In addition, certain special rules also govern intelligence-related reprogrammings.

(1) Legislative Provisions. There are a number of legislative provisions that impact reprogramming of intelligence funds.

a. Section 504 of the National Security Act of 1947 provides the authority to reprogram funds provided from an intelligence or intelligence-related activity only if the fund funds being reprogrammed were specifically authorized for an intelligence or intelligence-related activity. Therefore, funds appropriated but not authorized for an intelligence or intelligence-related activity cannot be reprogrammed unless authorization is obtained statutorily. Funds that are both authorized and appropriated for an intelligence activity may be reprogrammed to another intelligence activity that is considered to be a higher authority unforeseen requirement. Funds may not be reprogrammed for an intelligence or intelligence-related activity that was specifically denied by the Congress.

b. Section 104(c) of the Act prohibits reprogramming of NFIP resources without the approval of the Director of Central Intelligence (DCI) except in accordance with procedures issued by the Director. The cover memorandum transmitting any reprogramming affecting NFIP resources must contain the statement: "This action affects elements of the National Foreign Intelligence Program and has the concurrence of the Director of Central Intelligence." DCI approval is not required for JMIP or TIARA resources.

c. Section 104(d) of the Act provides the DCI with the authority to transfer funds appropriated from an NFIP program to another NFIP program with the approval of the Office of Management and Budget. Submission of a reprogramming (DD 1415) is not required, but notification of the six congressional committees is required.

d. Section 5 of the Agency Act of 1949 (50 USC 403f) provides the Central Intelligence Agency (CIA) with authority to transfer to and receive from other Government agencies such sums as may be approved by OMB for activities authorized under the National Security Act of 1947. This authority applies only when the CIA is the transferring or receiving agency, not to other transactions involving the NFIP. Submission of a reprogramming is not required, but notification of the six congressional committees is required.

(2) Procedures. In addition to the procedures prescribed for all Army reprogrammings, the following procedures must also be followed for reprogrammings involving intelligence or intelligence-related items.

a. The Office of the Deputy Assistant Secretary of Defense (Intelligence and Security) will develop, maintain, and distribute a composite listing of JMIP and TIARA intelligence-related items. This list will be used as the basis for annotating the DD 1414, Base for Reprogramming Actions.

b. The Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) (OASD C3I) has programmatic responsibility for determining the applicability of above and below threshold

reprogramming procedures to actions involving intelligence or intelligence-related activities. The C3I Intelligence Support Activity (CISA) must be informed of all intelligence-related reprogrammings prior to initiating the action. The appropriation sponsor will prepare a coordination sheet that briefly describes and summarizes the action. The CISA must coordinate on the reprogramming action before it is implemented and a copy of the coordination sheet will be attached to the program release request when it is implemented.

e. Special Access Program Reprogrammings.

(1) Reprogrammings for special access programs follow normal reprogramming rules, except for reprogrammings for new starts. The annual DoD Appropriations Act states: "Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the congressional defense committees." Letter notifications are required for such new starts.

(2) Any movement of funds into or out of any Army special access program must have Vice Chief of Staff and Under Secretary of the Army approval. All Army special access reprogrammings must first be coordinated through the Technology Management Office, Office of the Chief of Staff.

f. New Start Reprogrammings.

(1) A new start is the initiation, resumption, or continuation of any project, subproject, activity, budget activity, program element, and subprogram within a program element for which an appropriation, fund, or other authority was not available during the previous fiscal year. Any significant new program, contract or activity that has not been previously justified and appropriated by the Congress is considered a new start. The Congressional committees discourage the use of the reprogramming process to initiate new starts. If programs are of sufficiently high priority to be initiated by reprogramming, they should also merit inclusion in a regular budget request. Accordingly, DoD will not give consideration (except in extraordinary circumstances) to new start reprogramming requests for which follow-on funding is not budgeted. Prior approval reprogrammings or notification letters are required to request initiation of new programs.

(2) The transmittal memorandum and the DD 1415 for a new start reprogramming action, or notification letters, will clearly identify the program being initiated, and will state whether or not the program is included in budget justification materials. If so, the number of the Program Budget Decision which addresses the action should be included. If not, a statement explaining why the new start is necessary should be included.

(3) Approval of a specific program effort in one year in the Procurement and RDTE account may be extended to the next fiscal year without constituting a new start. This is considered an extension of effort initiated in the prior year program. Although new starts may apply to any appropriation, due to the characteristics of Military Personnel and O&M programs, new starts seldom occur for those appropriations.

g. Reprogramming of Funds for Cancelled Account Adjustments. Public Law 101-501 revised the definitions and procedures for funding adjustments for expired and cancelled appropriations. At the end of its available life for obligation, an appropriation expires and remains in expired status for five years. At the end of that time, the appropriation is cancelled. Adjustments to amounts obligated in accounts which are currently in an expired or cancelled status are categorized either as within-scope or out-of-scope contract changes.

(1) Within-scope changes to expired accounts are generally funded from the appropriation that originally financed the contract until cancellation. Within-scope adjustments to cancelled accounts must be funded from currently available appropriations.

(2) Out-of-scope changes to both expired and cancelled accounts are funded from appropriations currently available for obligation at the time the change is made.

(3) Normal reprogramming procedures will apply to the use of currently available appropriations to fund out-of-scope contract changes. Such changes will be funded from, and reflected against, the corresponding or comparable item in the current program. Any line item or program can be the funding source for contract changes. The funding source will be subject to normal reprogramming thresholds. If a corresponding program does not

exist in the current program, a new line item for the program in question will be created to reflect the change. Reprogramming procedures for the new line item will be the same as for the creation of any other new line item.

h. Reprogrammings for Replacement of Items Sold from Inventory. Current budget policy states that reimbursements cannot be used to replace end items sold from inventory if the replacement item is not the identical type, model, and series designation unless a reprogramming action is approved by the Congress. The only exception occurs when Congressional language specifically authorizes replacement with a different item. Additionally, replacement of small dollar end items where replacements vary only to a minor extent from the item sold may be accomplished without a formal reprogramming request.

(1) Replacement of items with a unit cost of less than \$5,000 will be treated as a replacement-in-kind (RIK) if an improved model of the same item is being procured, performs the same warfighting capability, and the inventory objective presented to the Congress is not exceeded. Such replacement may be financed with the reimbursable proceeds of the sale of the items issued from inventory without processing a DD 1415 reprogramming action. The amount applied toward the RIK may not exceed the proceeds of the sale.

(2) When an item is sold which will require replacement to compensate DoD inventories for the resulting loss of capability or readiness, and the replacement item will not be identical to the item sold, a prior approval reprogramming action is required before the item may be replaced. The replacement item must be a later series of "mod" designation of the same basic model, or an acceptable substitute item against the same inventory objective or acquisition objective. The reimbursement from the sale is included under reimbursable financing, but the purchase of the replacement item is shown as direct program financing. The reprogramming action will realign funds from the reimbursable to the direct program.

i. National Guard and Reserve Equipment Reprogramming Notification Procedures. For the National Guard and Reserve Equipment (NGRE) appropriation, the Congress appropriates funds in lump-sum amounts for aircraft and miscellaneous equipment, and requests submission of a detailed assessment of modernization priorities from each of the Reserve Components. The Assistant Secretary of Defense for Reserve Affairs (ASD(RA)) forwards these acquisition plans to the Congress, along with a consolidated equipment requirements list for all Reserve Components, called the Summary NGRE Acquisition Report.

(1) A realignment of funds for procurement of any item not included in the Summary NGRE Acquisition Report may not be initiated until notification is made to the Congressional committees. Notification letters should be submitted by the ASA(FM&C) to the ASD(RA). The ASD(RA) will coordinate the letters with the proper OSD components and will transmit notification letters, under his signature, to the Congressional committees.

(2) Consistent with Congressional practice for notification letters, the committees have 30 calendar days to respond to the notification action. If no response is received from the committees within that time, the action may be initiated.

j. Use of O&M Funds as Sources for Other Appropriations. Any reprogramming action which proposes to use O&M resources as a source of funding for other requirements will be transmitted to the Director of Operations, J-3, Organization of the Joint Chiefs of Staff (OJCS) for review and approval, prior to submission of the reprogramming to SAFM-BUC-E.

k. Reprogramming Requests for Prior Year Funds. Reprogramming requests involving available prior year funds may be initiated at any time during the period of availability of the funds. The appropriations for the requirement and the source of funds must have been enacted in the same fiscal year. Reprogrammings may also be requested for increases to expired appropriations, if the source of funds is still available for obligation. For example, in FY 1996 a reprogramming was requested and approved which transferred funds from Procurement accounts appropriated in FY 1994, which were still available for obligation, to the FY 1994 Military Personnel, Army appropriation, which was expired. However, funds appropriated in FY 1995 could not have been used as a fund source for the FY 1994 MPA requirement.

CHAPTER 3 -- REPROGRAMMING PROCESS FOR DOD FUNDS

1. Base for Reprogramming Actions (DD 1414). The Base for Reprogramming Actions is submitted to Congress each year to establish for each appropriation the base from which reprogramming requests may be initiated. The base for reprogramming is established for each appropriation at the level of detail presented in budget justification documentation. The report shows (in thousands of dollars) the President's Budget request, changes made prior to submission to the Congress, changes made by the Congress during the enactment process, and the final appropriated amount. This amount is the base for reprogramming. In the past, the report also showed the approved reimbursable program, but recent guidance from OUSD(C) has eliminated this requirement. A separate report is prepared for each newly enacted appropriation. SAFM-BUC-E is the responsible office for consolidation and submission of all Army DD 1414s. The reports for Military Personnel, Army (MPA); Operation and Maintenance, Army (OMA); the Procurement accounts (Aircraft Procurement, Army (APA), Missile Procurement, Army (MSL), Procurement of Weapons and Tracked Combat Vehicles, Army (WTCV), Procurement of Ammunition, Army (PAA), and Other Procurement, Army (OPA)); and RDTE are prepared by SAFM-BUC-E, the Funds Control Office. Additionally, the Army is required to provide reports for the Chemical Agents and Munitions Destruction, Defense (CAMD,D) appropriation, for which Army is executive agent. This report is also prepared by SAFM-BUC-E. Reports for Reserve Personnel, Army (RPA) and Operation and Maintenance, Army Reserve (OMAR) are prepared by the Office, Chief of Army Reserve. Reports for National Guard Personnel, Army (NGPA) and Operation and Maintenance, Army National Guard (OMARNG) are prepared by the Office, Chief of National Guard Bureau. SAFM-BUC-E will issue a data call to the Army Reserve and Army National Guard when the report is required. When all Army reports have been completed, SAFM-BUC-E will submit them to DoD. Following are preparation instructions.

a. **Headings.** In the block marked "Appropriation Account Title", enter the title as stated in the DoD Appropriations Act and fiscal year(s) covered by the appropriation. Examples: "Military Personnel, Army FY 1996"; "Procurement of Weapons and Tracked Combat Vehicles, Army 96/98". In the block marked "Fiscal Year Program", enter the initial program year of the account, e.g. "1996."

b. **Report Sections.** The DD 1414 is prepared in two sections. The Program section shows the appropriation level of detail, and reflects any changes made by the Congress at the level specified in the appropriations conference report. The Financing section reflects the legislative components of the total amount appropriated. The totals of the Program and Financing sections must agree.

c. **Column a, Line Item.** Under the Program section, enter the titles of the appropriation levels of detail as major headings, and titles of Congressional adjustments as specified in the appropriations conference report as subheadings. Enter the section title, the appropriation title, the budget activity title, and the line item/program element title, as appropriate. For Military Personnel and O&M appropriations, the base is established at the budget activity level. For specified changes within a budget activity, enter the title of the change in parentheses. For Procurement, the base is established at the BLIN level. For RDTE, the base is established at the program element level. At the end of the section, show the title TOTAL PROGRAM. Under the Financing section, enter the heading BUDGET AUTHORITY. As subheadings, enter APPROPRIATION, P.L. ***.*** (the Public Law no. of the Appropriations Act) and TOTAL FINANCING FY **** PROGRAM (the program year shown in the heading).

d. **Columns b and c, Program Base Presented to Congress in Printed Justification.** These columns reflect the President's Budget request. In the Program section, for each level of detail, enter the amount requested in the President's Budget. The TOTAL PROGRAM line shows the total amount requested. In the Financing section, for the APPROPRIATION and TOTAL FINANCING lines, enter the total President's Budget request.

e. **Columns d and e, Approved Changes Presented Prior to Final Congressional Action.** These columns show any adjustments made by DoD after the submission of the President's Budget, but prior to final Congressional action. The Program section reflects increases or decreases to each level of detail, and the total adjustment. The Financing section shows adjustments at the appropriation level and the total level.

f. **Columns f and g, Changes Reflecting Congressional Action/Intent.** These columns show any adjustments made by the Congress during the legislative process. The Program section reflects increases or decreases to each level of detail, and the total adjustment. Additionally, any changes made by the Congress as specified in the appropriations conference

report are reflected here. These changes should be enclosed in parentheses, and must total to the net appropriation level adjustment. The Financing section shows adjustments at the appropriation level and the total level.

g. Columns h and i, Revised Program Base for Reprogramming. These columns show the sum of columns b/c, plus or minus the adjustments in columns d/e and f/g. The net amount shown here is the base from which all reprogramming actions must be initiated.

h. Quantity and Amount Columns. Only the Procurement appropriations are required to provide information on quantities. All other appropriations are to leave the Quantity columns (b, d, f, and h) blank. Procurement appropriations are to enter quantity information in those columns. For those BLINs that do not involve quantities, leave the Quantity columns blank. For all appropriations, dollar amounts (in thousands) are entered in the Amount columns (c, e, g, and i).

i. Classification. Classified data will not be included on the DD 1414. All pages of the DD 1414 report will be marked as unclassified.

j. Page numbering. Reports for each appropriation are numbered separately, as follows: "Page XX of YY (the total number) pages." Page numbers are to be entered in the space provided at the top right of the page. When the total Army submission is consolidated by SAFM-BUC-E, page numbers for the entire report will be added.

k. Notes.

(1) Adjustments Imposed by the Congress. As noted above, adjustments imposed upon specific lines are applied to those lines on the DD 1414. Undistributed or unspecified reductions are generally intended to be applied against each line in the appropriation. These are shown on the DD 1414 as "lump sum" undistributed adjustments. In the Program section in column a, below the level of detail break, add a heading for UNDISTRIBUTED REDUCTIONS, list below it the title of each reduction, and show the amount for each reduction in columns g and i. In the Financing section, below the APPROPRIATION P.L. line in column a, list the P.L. number and section number of each reduction, and the amount for each in columns g and i.

(2) Items Denied by the Congress. Items that have been denied by the Congress are annotated on the DD 1414. Items which have been denied without prejudice (for example, as part of a general reduction) are marked with a single asterisk. For those items, increases may only be requested via a formal prior approval reprogramming. Items which have been specifically denied are marked with a double asterisk and are not available for reprogramming.

1. Footnotes. At the end of the report, footnotes may be added which refer to items marked throughout the report. DD 1414 footnotes are designed to describe any restrictions, comments or guidance imposed by the Congress. These may include items which have been designated to be of special Congressional interest in language contained in the appropriations act, the appropriations conference report, or in any committee report. Reprogrammings for special interest items require prior approval of the Congress. Footnotes may also be used to mark items for which appropriations or conference language may give special instructions, e.g., not more than \$XXX may be made available for a given purpose. Footnotes should use a number format, as follows: 1/. All footnotes on the DD 1414 will be carried over onto subsequent DD 1416 reports.

m. Special Provisions. In past years, appropriations conference language has directed the O&M appropriations (OMA, OMAR, and OMARNG) to use the current execution estimate reflected in budget justification materials as the base for reprogramming actions (column i of the DD 1414). All other appropriations must use the amount approved by the Congress (at the appropriate level of detail) as the base for reprogramming. For this reason, in the past submission of O&M DD 1414 reports has not been required until after submission of budget justification materials. For all other appropriations, DD 1414s must be submitted after appropriations are enacted.

2. Preparation, Submission, and Approval of Prior Approval Reprogrammings. Prior approval reprogramming requests require approval of the Congress before they may be implemented. They are normally initiated and prepared by the appropriation sponsor for the gaining appropriation, in concert with the functionals for the affected programs. The preparer is responsible for developing and providing justification for the requirement, obtaining and providing justification for the source, and preparing, coordinating and submitting the reprogramming request to SAFM-BUC-E. A separate request will be

prepared for each proposed reprogramming action. Requests to be included in the “omnibus” reprogramming will be prepared by the gaining appropriation sponsor and will be consolidated into a single Army submission by SAFM-BUC-E.

a. Preparation of DD 1415-1.

(1) Headings. In the block marked “Appropriation Account Title”, enter the title as stated in the DD 1414 for the gaining appropriation(s). If more than one appropriation is being increased, enter all gaining appropriation titles. Examples: “Military Personnel, Army FY 1996”; “Procurement of Weapons and Tracked Combat Vehicles, Army 96/98”. If the reprogramming involves the use of general transfer authority, add the statement “(Includes Transfers)” in the account title block. The block marked “Component Serial Number” should be left blank. SAFM-BUC-E will enter an Army serial number in that block once the package is ready for submission to OUSD(C). The block marked “DoD Serial Number” should also be left blank; OUSD(C) will enter a DoD serial number in that block when the action is submitted to the Congress.

(2) Introductory Paragraph. This paragraph provides a brief description of the action being requested and the reasons for submission. It also contains standard information which must be provided for all reprogramming requests. The opening sentence should state the reason for the type of action requested. Examples: “This action is being submitted for prior approval because it involves the use of general transfer authority”; “This action is submitted for prior approval because it adds a new program estimated to cost over \$10 million within a three-year period”. When the action involves the use of general transfer authority, that authority should be cited (the Public Law No. and pertinent section of the DoD Appropriations Act and the National Defense Authorization Act). There should follow one or two sentences summarizing the action requested. The paragraph should conclude with the following standard statements: “This action is for higher priority items, based on unforeseen military requirements, than the items for which the funds were originally appropriated. This action meets all administrative and legal requirements of the Congress and has not been previously denied by the Congress. This action is (or is not) reflected in the FY XX President's Budget” (the budget request currently being considered by the Congress). If the statement that the action is for higher priority items, based on unforeseen military requirements, is not true, it should not be included. In that case, the summarizing statements should address the alternate purpose of the request.

(3) Reprogramming Sections. The DD 1415 is prepared in two sections, the first for increases (requirements) and the second for decreases (sources). Each section should be grouped by appropriation and appropriate level of detail, with more detailed levels included as needed. Subtotals for each appropriation, and a total for each section, should be shown. The two sections must balance.

(4) Column a, Line Item. For each section, enter the section title, the appropriation title, the budget activity title, and the line item/program element title, as appropriate. For Military Personnel and O&M appropriations, only the appropriation title and budget activity title is required. For specific changes within a budget activity, enter the name of the change in parentheses. For Procurement, the BLIN title is also required. For RDTE, the program element number and title are required. All nomenclatures should be entered exactly as they appear on the DD 1414, Base for Reprogramming Actions. Below each line a brief paragraph of explanation should be entered, which describes in detail the reason for the required increase, or the reason that the source is available for reprogramming. Examples follow:

Military Personnel or O&M:

REPROGRAMMING INCREASES:

Reserve Personnel, Army FY 2000

Budget Activity 2: Other Training and Support
(Travel)

Explanation:

TOTAL REPROGRAMMING INCREASES:

Procurement or RDTE:

REPROGRAMMING DECREASES:

Other Procurement, Army 00/02

Budget Activity 2: Communications and Electronics Support
NAVSTAR Global Positioning System

Explanation:
Research, Development, Test and Evaluation, Army 00/01
Budget Activity 7: Operational Systems Development
000000A Adv Field Artillery Tactical Data System
Explanation:
TOTAL REPROGRAMMING DECREASES:

(5) Columns b and c, Program Base Reflecting Congressional Action. These columns reflect the reprogramming base at the required level of detail shown in columns h/i of the DD 1414.

(6) Columns d and e, Program Previously Approved by Sec Def. These columns show the base as adjusted for previously approved or previously submitted above-threshold reprogramming requests and transfers. The amount in this column should be taken from columns h/i of the most recently submitted DD 1415, adjusted for any DoD-approved transfers which may have taken place. If none have been submitted, this column should match columns b/c, as adjusted for DoD-approved transfers. Below-threshold reprogramming actions are not reflected on the DD 1415, nor is distribution of any unspecified Congressional reductions.

(7) Columns f and g, Reprogramming Action. These columns show the requested amount of the increase or decrease. In this column, also show the subtotal for each appropriation title and the total amount of increase or decrease at the end of each section. For levels of detail below the required level, show the amount of the change in parentheses.

(8) Columns h and i, Revised Program. These columns show the sum of columns d/e, plus or minus the adjustments in columns f/g.

(9) Quantity and Amount Columns. Only the Procurement appropriations are required to provide information on quantities. All other appropriations are to leave the Quantity columns (b, d, f, and h) blank. Procurement appropriations are to enter quantities in those columns. For those BLINs that do not involve quantities, leave the Quantity columns blank. For all appropriations, dollar amounts (in thousands) are entered in the Amount columns (c, e, g, and i).

(10) Explanations.

a. Each increase will be followed by a brief paragraph which provides justification for the requirement. The justification is intended to serve the same basic purpose as "original budget justification." Accordingly, the information should be concise and accurate, and should address the nature, extent, and essentiality of the requirement. Explanations for increases should distinguish between price changes and program scope changes.

b. Each decrease will also be followed by a paragraph of explanation, which provides the reason that the source is available or the basis on which the decision was made to make funding available. The justification for the decrease should not focus on the negative impact of the reduction, but rather on the reasons that the funds have been made available, even though it may only be for "higher priority requirements."

(11) Classification. . Classified data will not be included on the DD 1415. All pages of the DD 1415 report will be marked as unclassified. If classified information is essential for the reprogramming request, the appropriation sponsor must provide the information to SAFM-BUC-E under separate cover. The DD 1415 will state that the information is provided under separate cover.

(12) Page numbering. The pages of the reprogramming should be numbered as follows: "Page XX of YY (the total number) pages." Page numbers are to be entered in the space provided at the top right of the page.

(13) Signature block. Leave blank. The DD 1415 will be signed by the DoD Comptroller when it is submitted to the Congress.

b. Coordination and Submission of DD 1415-1.

(1) The preparer of the reprogramming request must formally coordinate the action with functional points of contact for both the gaining and losing programs. Additionally, the preparer should informally coordinate the request with Army appropriation sponsors and with program and appropriation points of contact in OUSD(C) for the gaining and losing programs. All source funds identified on the reprogramming action must be shown in the Program Budget Accounting System (PBAS) as undistributed at DA or OSD level at the time the reprogramming action is submitted to OUSD(C). There will be no exceptions to this rule without the written approval of the Deputy Assistant Secretary of the Army for Budget (DAB) or his deputy (DDAB). Coordination with the Funds Control Office of SAFM-BUC-E must be accomplished, which affirms that the funds are on DA or OSD withhold. Once formal and informal coordination is completed, the request is forwarded to SAFM-BUC-E for final coordination and submission to OUSD(C).

(2) SAFM-BUC-E will prepare a transmittal memorandum for the signature of the ASA(FM&C), which summarizes the reprogramming action and submits it to OUSD(C). SAFM-BUC-E will formally coordinate the action with SAFM appropriation points of contact, with DAMO-FD and DAMO-ZR (for prioritization of the request), and with SAFM-BUL and OCLL (the Congressional liaison offices). SAFM-BUC-E will also obtain clearance from the Director for Security Review, Office of the Assistant Secretary of Defense (Public Affairs). The transmittal memorandum will include a statement that the action has been coordinated with that office, and that it does or does not affect an intelligence-related activity. The action, with transmittal memo, is then forwarded to the ASA(FM&C) for signature on the memo. Once the memo is signed, the package is submitted to OUSD(C), the Program and Financial Control Directorate (P&FC).

(3) P&FC will formally coordinate the action with OUSD(C) appropriation analysts for the gaining and losing appropriations. If the OUSD(C) analyst non-concurs on a submitted requirement or source, Army is given the opportunity to provide additional information, replace disapproved items, or withdraw the request. Replacement items are submitted through SAFM-BUC-E to OUSD(C) following the same preparation and approval process as the original request.

(4) When OUSD(C) coordination is completed, the action is submitted to the Under Secretary of Defense (Comptroller) for signature. OUSD(C) signature on the DD 1415 signifies DoD concurrence on the action, which is then sent to the Congress for final approval. If the action requires the use of general transfer authority, it is forwarded to OMB for endorsement prior to submission to Congress. Once OMB has coordinated, DoD assigns a serial number to the action and forwards it to the Congress.

c. Congressional Action and Approval of DD 1415-1.

(1) Any concerned committee has the prerogative to convene a hearing to consider any reprogramming request. Historically, only the HAC has held hearings. The DAB is the principal witness at these hearings. Action officers for reprogramming requests should be prepared to provide to SAFM-BUC-E an opening statement for the hearing, which briefly states the purpose of the reprogramming. Should a hearing be convened, the opening statement generally must be provided within 24 hours of notification of the hearing. In addition, the action officer must be prepared to brief the DAB on the action. In some instances, questions to be asked at the hearing are provided by the committee to the Army in advance. However, in any case, the information provided to the DAB should cover all aspects of the reprogramming, to include both rationale for the requirement and full justification for the availability of the source, so that he will be prepared to respond to any questions that may be raised.

(2) Formal approval from each of the concerned Congressional committees, in the form of an approval letter addressed to the USD(C), is required before a reprogramming may be implemented. Each separate committee response is weighted the same and final implementation by DoD of the action will reflect the lowest or most restrictive constraints of the approvals received. One committee's denial of an action causes it to be disapproved, regardless of whether or not the other committees approve it. Additionally, a committee may: approve only a portion of the action being initiated (for example, only the pay raise portion of a reprogramming may be approved); disapprove a fund source, in which case DoD may be given the opportunity to provide alternate sources; or place a restriction on execution of the action (for example, a report may be required prior to implementation). Again, any committee's change to an action changes the final approved action accordingly, regardless of the other committees' actions. The Congressional approval process may conceivably take as long as the life of the losing appropriation; normally it takes several months.

3. Preparation, Submission, and Approval of Internal Reprogrammings. Internal reprogramming requests require approval of DoD before they may be implemented. Congressional approval is not required, and the requests are not submitted to the

Congress. Internal reprogrammings are normally initiated and prepared by the appropriation sponsor for the gaining appropriation, in concert with the functionals for the affected programs. The preparer is responsible for developing and providing justification for the requirement, obtaining and providing justification for the source, and preparing, coordinating and submitting the reprogramming request to SAFM-BUC-E. A separate request will be prepared for each proposed reprogramming action. Internal reprogrammings (DD 1415-3) are prepared using similar formats and similar sources of information as the DD 1415-1.

a. Preparation of DD 1415-3.

(1) Headings. In the block marked "Appropriation Account Title", enter the title of the gaining appropriation as stated in the DD 1414. Examples: "Military Personnel, Army FY 1996"; "Procurement of Weapons and Tracked Combat Vehicles, Army 96/98". If the reprogramming involves the use of general transfer authority, add the statement "(Includes Transfers)" in the account title block. The block marked "Component Serial Number" should be left blank. SAFM-BUC-E will enter an Army serial number in that block once the package is ready for submission to OUSD(C). The block marked "DoD Serial Number" should also be left blank; OUSD(C) will enter a DoD serial number in that block when the action is approved.

(2) Introductory Paragraph. This paragraph provides a brief description of the action being requested and the reasons for submission. It also contains standard information which must be provided for all reprogramming requests. The opening sentence should state the reason for the type of action requested. Example: "This action internally reclassifies resources for proper program execution". There should follow one or two sentences summarizing the action requested. When the action involves the use of general transfer authority, that authority should be cited (the Public Law No. and pertinent section of the DoD Appropriations Act and the National Defense Authorization Act). If the action involves a transfer between appropriations, include the statement: "This realignment does not change the purpose justified in budget presentation to the Congress and in funds appropriated by the Congress." The paragraph should conclude with the following standard statements: "This action is for higher priority items, based on unforeseen military requirements, than the items for which the funds were originally appropriated. This action meets all administrative and legal requirements of the Congress and has not been previously denied by the Congress." If the statement that the action is for higher priority items, based on unforeseen military requirements, is not true, it should not be included. In that case, the summarizing statements should address the alternate purpose of the request.

(3) Reprogramming Sections. The DD 1415 is prepared in two sections, the first for increases (requirements) and the second for decreases (sources). Each section should be grouped by appropriation, budget activity, and line item. Subtotals for each appropriation, and a total for each section, should be shown. The two sections must balance.

(4) Column a, Line Item. For each section, enter the section title, the appropriation title, the budget activity title, and the line item/program element title, as appropriate. For Military Personnel and O&M appropriations, only the appropriation title and budget activity title is required. For specific changes within a budget activity, enter the name of the change in parentheses. For Procurement, the BLIN title is required. For RDTE, the program element number and title are required. All titles should be entered exactly as they appear on the DD 1414, Base for Reprogramming Actions. Below each line a brief paragraph of explanation should be entered, which describes in detail the reason for the required increase, or the reason that the source is available for reprogramming. Examples follow:

Military Personnel or O&M:

REPROGRAMMING INCREASES:

Reserve Personnel, Army FY 1996

Budget Activity 2: Other Training and Support
(Travel)

Explanation:

TOTAL REPROGRAMMING INCREASES:

Procurement or RDTE:

REPROGRAMMING DECREASES:

Other Procurement, Army 96/98

Budget Activity 2: Communications and Electronics Support
NAVSTAR Global Positioning System

Explanation:

Research, Development, Test and Evaluation, Army 96/97

Budget Activity 7: Operational Systems Development

000000A Adv Field Artillery Tactical Data System

Explanation:

TOTAL REPROGRAMMING DECREASES:

(5) Columns b and c, Program Base Reflecting Congressional Action. These columns reflect the reprogramming base shown in columns h/i of the DD 1414.

(6) Columns d and e, Program Previously Approved by Sec Def. These columns show the base as adjusted for previously approved or previously submitted above-threshold reprogramming requests and transfers. The amount in this column should be taken from columns h/i of the most recently submitted DD 1415, adjusted for any DoD-approved transfers which may have taken place. If none have been submitted, this column should match columns b/c, adjusted for DoD-approved transfers. Below-threshold actions are not reflected on the DD 1415, nor is distribution of unspecified Congressional reductions.

(7) Columns f and g, Reprogramming Action. These columns show the requested amount of the increase or decrease. In this column, also show the subtotal for each appropriation title and the total amount of the increase or decrease at the end of each section.

(8) Columns h and i, Revised Program. These columns show the sum of columns d/e, plus or minus the adjustments in columns f/g.

(9) Quantity and Amount Columns. Only the Procurement appropriations are required to provide information on quantities. All other appropriations are to leave the Quantity columns (b, d, f, and h) blank. Procurement appropriations are to enter quantities in those columns. For those BLINs that do not involve quantities, leave the Quantity columns blank. For all appropriations, dollar amounts (in thousands) are entered in the Amount columns (c, e, g, and i).

(10) Explanations.

a. Each increase will be followed by a brief paragraph which provides justification for the requirement. The justification is intended to serve the same basic purpose as "original budget justification." Accordingly, the information should be concise and accurate, and should address the nature, extent, and essentiality of the requirement. Explanations for increases should distinguish between price changes and program scope changes.

b. Each decrease will also be followed by a paragraph of explanation, which provides the reason that the source is available or the basis on which the decision was made to make funding available. The justification for the decrease should not focus on the negative impact of the reduction, but rather on the reasons that the funds have been made available, even though it may only be for "higher priority requirements."

c. If the realignment is being made as a corrective action in order to properly execute the program, a single explanation will suffice for both the increase and the decrease.

(11) Classification. Classified data will not be included on the DD 1415. All pages of the DD 1415 report will be marked as unclassified. If classified information is essential for the reprogramming request, the appropriation sponsor must provide the information to SAFM-BUC-E under separate cover. The DD 1415 will state that the information is provided under separate cover.

(12) Page numbering. The pages of the reprogramming should be numbered as follows: "Page XX of YY (the total number) pages." Page numbers are to be entered in the space provided at the top right of the page.

(13) Signature block. Leave blank. The DD 1415 will be signed by the DoD Comptroller when it is approved for implementation.

b. Coordination and Submission of DD 1415-3.

(1) The preparer of the reprogramming request must formally coordinate the action with functional points of contact for both the gaining and losing programs. Additionally, the preparer should informally coordinate the request with Army appropriation sponsors and with program and appropriation points of contact in OUSD(C) for the gaining and losing programs. All source funds identified on the reprogramming action must be shown in PBAS as undistributed at DA or OSD level at the time the reprogramming action is submitted to OUSD(C). There will be no exceptions to this rule without the written approval of the DAB or DDAB. Coordination with the Funds Control Office of SAFM-BUC-E must be accomplished, which affirms that the funds are on DA or OSD withhold. Once formal and informal coordination is completed, the request is forwarded to SAFM-BUC-E for final coordination and submission to OUSD(C).

(2) SAFM-BUC-E will prepare a transmittal memorandum for the signature of the ASA(FM&C), which summarizes the reprogramming action and submits it to OUSD(C). SAFM-BUC-E will formally coordinate the action with SAFM appropriation points of contact, with DAMO-FD and DAMO-ZR, and with SAFM-BUL and OCLL. SAFM-BUC-E will also obtain Director for Security Review, Office of the Assistant Secretary of Defense (Public Affairs) clearance on the action. The transmittal memorandum will include a statement that the action has been coordinated with that office, and that it does or does not affect an intelligence-related activity. The action, with transmittal memo, is then forwarded to the ASA(FM&C) for signature on the memo. Once it is signed, the action is submitted to OUSD(C).

(3) OUSD(C), P&FC will formally coordinate the action with OUSD(C) appropriation analysts. If the OUSD(C) analyst non-concurs on a submitted requirement or source, Army is given the opportunity to provide additional information, replace disapproved sources, or withdraw the request. Replacement sources are submitted through SAFM-BUC-E to OUSD(C) following the same preparation and approval process as the original request. If the action requires the use of general transfer authority, it is forwarded to OMB for coordination. When OUSD(C) coordination is completed, the action is submitted to the Under Secretary of Defense (Comptroller) for signature.

c. Approval of DD 1415-3. OUSD(C) signature on the DD 1415-3 signifies DoD approval of the action. DoD then assigns a serial number to the action and returns it to the Army.

d. DoD-Initiated Internal Reprogrammings. Reprogrammings from DoD transfer accounts are prepared and processed by OUSD(C) using the procedures outlined above.

(1) Requests for reprogramming of funds to or from the Foreign Currency Fluctuations, Defense or the Foreign Currency Fluctuations, Construction, Defense accounts may be initiated by the requesting Service. The MPA, OMA or MILCON appropriation sponsor will prepare a requesting memo to the DAB, for the signature of the Director of Operations or the Director of Investment, respectively. The memo will provide resources available for transfer and/or identify the requirement for additional funding. Every effort should be made to provide offsetting resources for an identified requirement. Available unobligated balances from the Services' current and prior year foreign currency Centrally Managed Allotments, and available unobligated balances from current and prior year appropriated amounts, may be transferred into the DoD foreign currency transfer accounts. If offsetting resources cannot be provided, the appropriation sponsor should informally coordinate the request with his or her DoD counterpart in advance, to ensure that funding is available. Upon receipt of the appropriation sponsor's memo, SAFM-BUC-E will prepare a memo for the signature of the ASA(FM&C) to OUSD(C), detailing the required transfer and requesting that DoD prepare an internal reprogramming. OUSD(C) will process a DD 1415-3 and provide the approved reprogramming to Army.

(2) Reprogrammings to or from Environmental Restoration, Defense; Drug Interdiction, Defense; and other DoD transfer accounts are initiated by DoD; formal requests from the Services are not required. These accounts are appropriated annually for specified amounts, and the responsible offices in DoD provide distribution of funding and program via internal reprogrammings (DD 1415-3) and appropriate program release documents. The Services may request an increase or realignment, if required. Such requests are normally handled between the Service program manager and his or her DoD counterpart; Army Budget Office and appropriation sponsor involvement is limited to receipt and processing of the DD 1415-3 and program release documents.

4. Initiation of Transfers. DoD-initiated transfers are implemented by memorandum from DoD, and realign resources at the appropriation level. The Service involved has the authority to distribute the increase or decrease within the appropriation. Distribution of transfers is reported on the DD 1416, Report of Programs.

5. Implementation of Approved Reprogrammings and Transfers. When an action has been approved by the Congress or DoD, OUSD(C) P&FC will issue a memorandum to the Army stating that the action is approved for implementation. The memorandum will include copies of approval letters from all committees (for Congressionally approved actions). Also attached to the memorandum are data sheets which provide implementation instructions. The action may not be implemented until OUSD(C) issues this memorandum. In order to implement the action, several types of authority must be revised and provided to the Army. Revision of obligation authority and disbursement authority are required when the reprogramming involves a transfer between appropriations. Revised program authority is required for all reprogrammings. These types of authority are provided as follows:

a. Obligation Authority. Reapportionment of funds, which provides the authority to obligate the funds in the gaining appropriation or reduces the obligation authority in the losing appropriation, must be provided by OMB. Funds are reapportioned by OMB based on DoD's request. Within five working days of the date of the implementation memo, the Service which has ownership of the affected gaining or losing appropriation(s) must submit to OUSD(C) an Apportionment and Reapportionment Request (SF 132) for each affected appropriation. After DoD coordination and signature, the requests are forwarded to OMB for approval. Normally the approval process takes two to four weeks. SAFM-BUC-E prepares and submits apportionment and reapportionment requests for all Army appropriations. In some cases, OUSD(C) will prepare the SF 132 for the Services, or revise a SF 132 request currently in progress. Additionally, OMB may approve the reapportionment via letter, often at the same time as the approval for the Secretary of Defense determination that the request is in the national interest is provided.

b. Disbursement Authority. A Nonexpenditure Transfer Authorization (SF 1151) is prepared by the losing agency, which transfers the cash from the losing to the gaining appropriation(s). The approved SF 1151 provides authority to disburse the funds in the gaining appropriation, and rescinds the authority from the losing appropriation. The SF 1151 is submitted directly to the Department of the Treasury within a given time period specified in the data sheet (usually 5 to 7 days), and is approved by Treasury and returned to the affected Services. If an action is approved for implementation shortly before the closing date of a reporting period (the end of the month or of the fiscal year) the approval date will normally be adjusted so it is retroactive to the closing date. Generally, approval of the SF 1151 takes one to two weeks. SAFM-BUC-E prepares and submits SF 1151 requests for all Army appropriations, when Army is the losing agency.

c. Program Authority. Program release documents are prepared and issued by OUSD(C) for all affected appropriations, and provide or rescind authority to execute the affected programs. Program release documents are generally issued to the Services one to two weeks after the action is approved for implementation.

6. Preparation, Submission, and Approval of Letter Notifications. Reprogramming letter notifications achieve several goals. In some cases, they serve to notify the Congress of the Army's intent to realign funds below threshold within an appropriation, in order to utilize funds for a different purpose from that for which they were provided, for a new start or new program. In other cases, the letters provide notification of our intent to utilize funds for a different purpose from that for which they were provided, without requiring a formal movement of funds. In both these instances, the letters provide notification about changes to the way in which Army plans to spend appropriated funding, whether or not a realignment of funds is required. Army letter notifications are prepared as formal letters to the chairmen of the Congressional committees and are signed by the ASA(FM&C). The letters are prepared by the appropriation sponsor for the affected appropriation, in concert with the functionals for the affected programs. The preparer is responsible for developing and providing justification for the requirement, obtaining and providing justification for the source(s), and preparing, coordinating and submitting the letters to SAFM-BUC-E. Each of the letters should contain the same information.

a. Original letters are prepared on ASA letterhead. The letters begin with the salutation "Dear Mr. Chairman:" or "Dear Madam Chairman:" and open with a statement to this effect: "This letter provides notification of my intent to ..." There should follow a brief description of the program being initiated, total program costs, proposed funding, and an explanation of how subsequent funding will be provided (if the program is not included in the budget). If applicable, include procurement quantities by year and enough background information to demonstrate that the item is ready for research or

procurement. The letter should also provide a description of the source of funds, even if no formal movement of funds is involved, and why they are no longer needed or the impact of the decrement. The letter will close with the signature block for the ASA(FM&C) and will have "Copy Furnished:" for the individuals listed below beneath the signature block. SAFM-BUC-E will provide the correct names and addresses of the current Congressional committee chairmen and ranking minority members. One letter should be prepared for each of the following:

- the chairman of the National Security Subcommittee of the House Appropriations Committee (HAC), with courtesy copies provided to the ranking minority member of the Subcommittee, the chairman of the HAC, and the ranking minority member of the HAC;

- the chairman of the Subcommittee on Defense of the Senate Appropriations Committee (SAC), with courtesy copies provided to the ranking minority member of the Subcommittee, the chairman of the SAC, and the ranking minority member of the SAC;

- the chairman of the House Armed Services Committee (HASC), with a courtesy copy provided to the ranking minority member of the HASC;

- the chairman of the Senate Armed Services Committee (SASC), with a courtesy copy provided to the ranking minority member of the SASC;

- if the action involves intelligence items, the chairman of the House Permanent Select Committee on Intelligence (HPSCI), with a courtesy copy provided to the ranking minority member of the HPSCI; and

- if the action involves intelligence items, the chairman of the Senate Select Committee on Intelligence (SSCI), with a courtesy copy provided to the ranking minority member of the SSCI.

b. The preparer of the letter notification is responsible for obtaining full formal coordination with functional points of contact and with program and appropriation points of contact in OUSD(C) for both the gaining and losing programs, using the preparer's coordination format. Additionally, informal coordination should be accomplished with Army appropriation sponsors for the gaining and losing programs. Once all formal and informal coordination is completed, the letters are forwarded to SAFM-BUC-E for coordination and submission to the ASA(FM&C). SAFM-BUC-E will formally coordinate the letters with SAFM appropriation points of contact, with DAMO-FD and DAMO-ZR, and with SAFM-BUL and OCLL. SAFM-BUC-E will also obtain OSD (Public Affairs) clearance. The letters are then forwarded to the ASA(FM&C) for signature. Once they are signed, SAFM-BUL and OCLL will carry the letters to the Congressional committees. Notification letters are not formally submitted by DoD to the Congress, but are signed out and submitted directly by the affected Service. Courtesy copies of the signed letters are provided to OUSD(P&FC) when the letters are carried to the Congress.

c. If the action involves the establishment of a new BLIN, PE, or project, the appropriation sponsor for the affected appropriation must submit a DA Form 2028, Request for Change to Regulations, to add the new line to DFAS-IN Manual 37-100-XX and to PBAS. The sponsor is responsible for completing and coordinating the DA 2028 with the appropriate offices. The completed DA 2028 should be submitted to SAFM-BUC-E, the Funds Control Office, once the letters have been delivered to the Congress, to ensure that the update of the accounting and funds control systems is complete by the time the action is approved and implemented (within the 30 day waiting period described below). If the action is not approved, the established line will not be used.

d. The Congressional committees have 30 calendar days from the date of receipt to respond to letter notifications. The waiting period is not affected by whether or not Congress is in session, as staff members continue to work even when Congress is in recess. The committees may respond either formally (via letter) or informally (with a verbal query or response), or they may choose not to respond. As is the case with prior approval reprogramming requests, one committee's denial of a request causes it to be disapproved, regardless of whether the other committees have responded or not. Additionally, the committees may place restrictions on implementation, or require additional time to consider the request.

e. If none of the committees respond or raise an objection by the end of the 30-day waiting period, the action may be considered approved. At the end of the 30-day period, SAFM-BUC-E will request that SAFM-BUL and OCLL contact the Congressional committees to ensure that they have no objections or other requirements associated with the notification.

Once SAFM-BUL and OCLL have informed SAFM-BUC-E that there is no objection, SAFM-BUC-E will inform the appropriation sponsors in writing of that fact. The proposed action will not be implemented until the 30-day waiting period has passed and written notification has been received from SAFM-BUC-E that the action is approved. The sponsor may then initiate the action in accordance with the procedures for below-threshold reprogrammings, as described below.

7. Implementation of Below-Threshold Reprogrammings. Below-threshold actions which do not require prior notification of Congress may be implemented at the discretion of the appropriation sponsor. They are reported on the DD 1416, Report of Programs. Below-threshold reprogrammings are measured cumulatively and must net to zero at the appropriation level.

8. Report of Programs (DD 1416). The Report of Programs is submitted to Congress semiannually, and reflects the status of obligation authority for each DoD appropriation as of 31 March and 30 September. The report shows (in thousands of dollars) the base for reprogrammings, adjustments reflecting enacted supplementals and rescissions, reprogrammings and transfers approved by DoD and/or Congress as of the date of the report, distribution of unspecified Congressional reductions, below-threshold changes, and the revised total program. In the past, the report also showed the approved reimbursable program, but recent guidance from OUSD(C) has eliminated this requirement. A separate report is prepared for each available appropriation; for multi-year accounts, a separate report is prepared for each available year. SAFM-BUC-E is the responsible office for consolidation and submission of all Army DD 1416s. The reports for MPA, OMA, the Procurement accounts, RDTE, and CAMD are prepared by SAFM-BUC-E, the Funds Control Office. Reports for RPA and OMAR are prepared by the Office, Chief of Army Reserve, and reports for NGPA and OMARNG are prepared by the Office, Chief of National Guard Bureau. SAFM-BUC-E will issue a data call to the Army Reserve and Army National Guard when the report is required. When all Army reports have been completed, SAFM-BUC-E will submit them to DoD. Following are preparation instructions.

a. Headings. In the block marked “Appropriation Account Title”, enter the title as stated in the DD 1414. Examples: “Military Personnel, Army FY 1996”; “Procurement of Weapons and Tracked Combat Vehicles, Army 95/97”. In the block marked “Fiscal Year Program”, enter the “as of” date of the report, e.g. “31 March 1996.”

b. Report Sections. The DD 1416 is prepared in two sections. The Program section shows the appropriation level of detail for the direct program, and reflects approved supplementals and rescissions, reprogrammings and transfers at the level specified in the appropriations conference report. The Financing section reflects the amount appropriated for the direct program, as affected by supplementals, rescissions, reprogrammings, and transfers. The totals of the Program and Financing sections must agree.

c. Column a, Line Item. Under the Program section, enter the titles of the appropriation levels of detail as major headings. Enter the section title, the appropriation title, the budget activity title, and the line item/program element title, as appropriate. For Military Personnel and O&M appropriations, only the budget activity title is required. For Procurement, the BLIN title is also required. For RDTE, the program element number and title are required. At the end of the section, show a title for TOTAL PROGRAM. Under the Financing section, enter the heading BUDGET AUTHORITY. As subheadings, enter APPROPRIATION, P.L. ***-*** (the Public Law no. of the Appropriations Act, as well as any subsequent Act which provides supplemental funding or rescinds funds); the title and section number of any section of the Acts which provided an undistributed increase or decrease, which was subsequently distributed by DoD; and TOTAL FINANCING FY **** PROGRAM (the program year shown in the heading).

d. Columns b and c, Program Base Reflecting Congressional Action. These columns reflect the base for reprogrammings, as shown in columns h/i of the DD 1414. In the Program section, for each level of detail, enter the approved reprogramming base. These columns should also show any undistributed reductions which were listed on the DD 1414. The TOTAL PROGRAM line shows the total approved base. In the Financing section, for the APPROPRIATION and TOTAL FINANCING lines, enter the total approved base.

e. Columns d and e, Program Base Adjustments Reflecting Enacted Supplementals and Rescissions. These columns are only used if enacted legislation provides supplemental funds, or rescinds funds, changing the amounts initially appropriated. These columns reflect the distribution of any such increases or decreases. The Program section reflects increases or decreases to each level of detail, and the total adjustment. The Financing section shows adjustments at the appropriation level and the total level.

f. Columns f and g, Reprogramming Changes Approved by the SecDef and/or Congressional Committees. These columns show the distribution of submitted or approved above-threshold reprogrammings as of the date of the report. The Program section reflects increases or decreases to each level of detail, and the total adjustment. The Financing section shows adjustments at the appropriation level and the total level.

g. Columns h and i, Changes Reflecting Congressionally Directed Undistributed Amounts and Transfers. These columns show the distribution made by DoD of unspecified increases or decreases directed in appropriations acts, which were not distributed by the Congress. They also reflect the distribution of approved transfers as of the date of the report. The Program section reflects increases or decreases to each level of detail, and the total adjustment. The Financing section shows adjustments at the appropriation level and the total level.

h. Columns j and k, Below Threshold Changes Not Requiring Approval by the SecDef or Committees. These columns show any below-threshold changes to the appropriation by the Service. The cumulative amount of these changes cannot exceed the specified thresholds, and must net to zero. The Program section reflects increases or decreases to each level of detail. The Financing section should show a zero.

i. Columns l and m, Total Revised Program. These columns show the sum of columns b/c, plus or minus the adjustments in columns d/e, f/g, h/i, and j/k. The amounts shown in column m must equal column b of the DD 1002 report, Appropriation Status by Fiscal Year Program and Subaccounts, as of the date of the DD 1416 report. The only exceptions are for reprogramming requests approved by DoD but not yet approved by Congress; or for accounting errors in the DD 1002.

j. Quantity and Amount Columns. Only the Procurement appropriations are required to provide information on quantities. All other appropriations are to leave the Quantity columns (b, d, f, h, j and l) blank. Procurement appropriations are to enter quantity information in those columns. For those BLINs that do not involve quantities, leave the Quantity columns blank. For all appropriations, enter dollar amounts (in thousands) in the Amount columns (c, e, g, i, k, and m).

k. Classification. Classified data will not be included on the DD 1416. All pages of the DD 1416 report will be marked as unclassified.

l. Page numbering. Reports for each available appropriation account are numbered separately, as follows: "Page XX of YY (the total number) pages." Page numbers are to be entered in the space provided at the top right of the page. When the total Army submission is consolidated by SAFM-BUC-E, page numbers for the entire report will be added.

m. Notes.

(1) Adjustments Imposed by the Congress. Undistributed or unspecified reductions are generally intended to be applied against each line in the appropriation. These reductions are shown on the DD 1416 as "lump sum" adjustments, and are also distributed against the appropriate levels of detail. In the Program section, below the level of detail break, add a heading for UNDISTRIBUTED REDUCTIONS, list below it the title of each reduction in column a, and show the amount for each reduction in column c, as shown on the DD 1414. In column i, the reduction should be spread to the appropriate level of detail, and should also be shown on each UNDISTRIBUTED REDUCTIONS line with the sign reversed, in order to reflect that the distribution has been made. In the Financing section, below the APPROPRIATION P.L. line, list the P.L. number and section number of each reduction in column a, and the amount for each in columns c and i.

(2) Items Denied by the Congress. Items that have been annotated on the DD 1414 as denied by the Congress will be similarly annotated on the DD 1416.

n. Footnotes. At the end of the report, footnotes may be added which refer to items marked throughout the report. All footnotes from the DD 1414 and from previous DD 1416s, should also be placed on the DD 1416. In addition, footnotes may be added on the current status of an item, i.e., "This item is pending reprogramming." Footnotes should use a number format, as follows: 1/.

o. Cancelled Account Adjustments. When currently available appropriations are used to fund obligations or obligation adjustments which would otherwise be chargeable to a cancelled appropriation, the realignment of those funds will

be reflected on the DD 1416. A line entitled "Cancelled Account Adjustments" will be entered as a separate line item or program element within a single budget activity in column a. For MPA, the line will be shown under Budget Activity 5, PCS Travel; for OMA, OMAR, and OMNG, the line will be shown under Budget Activity 4, Administration and Servicewide Activities. For all other accounts which do not display line item detail, a memo line shall be shown under any single budget activity. The cumulative amount of the adjustment will be shown in column k, Below Threshold Changes.

o. Cumulation of Reported Amounts. The DD 1416 is a cumulative report. The report prepared as of 30 September will reflect actions for the entire fiscal year, not just for the second half of the year. Thus, the yearend report must include the amounts reported in the 31 March report. The cumulative amounts shown in columns j and k will show all below-threshold actions for the entire year, and will not cumulatively exceed the specified thresholds. For multi-year accounts, the DD 1416 shows all changes from the inception of the appropriation to the date of the current report.

CHAPTER 4 -- MILITARY CONSTRUCTION REPROGRAMMINGS

1. General. This chapter addresses the rules and procedures for reprogramming of funds appropriated in the Military Construction (MILCON) Appropriations Act, that is, Military Construction and Family Housing funds.

2. Reprogramming Base. MILCON funds are appropriated and authorized by law at the total appropriation level. Within each appropriation, a base for reprogramming is established from which reprogramming actions may be taken. The appropriations and authorization conference reports show the supporting detail of each appropriation, and provide information to establish the base for reprogramming.

a. For Major Construction projects in the Military Construction, Army (MCA), Military Construction, Army Reserve (MCAR), Military Construction, Army National Guard (MCNG), and Army Family Housing, Construction (AFHC) appropriations, the base for reprogramming is the specific dollar amount for each project that has been approved by the appropriations committees, as shown in the conference report.

b. For the MCA, MCAR and MCNG Unspecified Minor Construction and Planning and Design accounts, the AFHC Construction Improvements and Planning accounts, and other unspecified accounts, the base for reprogramming is the approved amount shown for each of those accounts in the appropriations conference report.

c. For Army Family Housing Operations (AFHO), the base for reprogramming is the approved amount for each budget account and sub-element, as shown in the appropriations conference report.

3. Requirements for Reprogramming. In general, circumstances necessitating reprogramming in the MILCON appropriations include response to emergencies, restoration or replacement of damaged or destroyed facilities, unexpected price increases, foreign currency fluctuation, or implementation of specific program provisions mandated by the Congressional committees.

a. Formal reprogramming requests, submitted through OUSD(C) for Congressional approval, are required for the following circumstances:

(1) Any increase or decrease to an authorized Major Construction project that exceeds 25 percent of the reprogramming base or \$2 million, whichever is less.

(2) Any increase, regardless of percentage or dollar amount, to a Major Construction project or effort whose base has been either increased or decreased by a previously approved Congressional reprogramming action.

(3) Any increase, regardless of percentage or dollar amount, to a Major Construction project that has been previously reduced in scope by Congress.

(4) Initial funding for any project authorized by 10 USC 2803, "Emergency construction"; 10 USC 2854, "Restoration or replacement of damaged or destroyed facilities"; or 10 USC 2827, "Relocation of military family housing units".

(5) Initial funding for any acquisition of interest in land authorized by 10 USC 2672a, "Acquisition: interests in land when need is urgent".

(6) Any project authorized, but directed by the Committees on Appropriations to be accomplished from savings (rather than from a new appropriation), unless specifically exempted from such requirement by those Committees.

(7) Any MCAR or MCNG Major Construction project, regardless of amount, the requirement for which was not known in time to be included in the annual budget submission, and therefore was not among those justified to and approved by Congress.

(8) Any increase above the total appropriated for unspecified Minor Construction.

(9) Any increase above the amount appropriated for architectural and engineering services and construction design.

b. Formal notification by letter of the Appropriations and Armed Services committees (not requiring formal Congressional approval) is required for the following conditions:

(1) To reprogram funds between or among AFHO budget budget accounts or sub-elements, when the amount of the reprogramming exceeds 10 percent of the reprogramming base (cumulative within a fiscal year) for the increased budget activity. The committees shall be notified within 30 days of any such transfer.

(2) For MCNG and MCAR Minor Construction projects, when the revised cost does not exceed \$1.5 million. The action may be implemented 21 days after the committees have been notified and do not object.

(3) For any reprogramming of Base Realignment and Closure funds. The action may be implemented 21 days after the committees have been notified and do not object.

c. Reprogramming requests or Congressional notification are not required for the following circumstances:

(1) When none of the criteria listed above apply to the project or to the cost increase.

(2) For projects utilizing Environmental Restoration, Defense funds authorized under 10 USC 2810.

(3) For projects within the Unspecified Minor Military Construction, Army (UMMCA), MCAR and MCNG projects, or Army Family Housing Improvements (AFHI) programs with total costs less than \$1.5 million.

(4) For projects authorized under 10 USC 2808, "Construction authority in the event of a declaration of war or national emergency". The Secretary of Defense is required to notify the appropriate committees.

(5) For decreases to a project or effort in response to general reductions imposed by Congress.

(6) To reprogram funds between or among AFHO budget account/sub-elements, when the amount of the reprogramming does not exceed 10 percent of the reprogramming base (cumulative within a fiscal year) of the increased budget activity.

(7) When the cost increase necessitating a reprogramming is due solely to final settlement of a contractor's claim or an Antideficiency Act violation.

(8) For any project being completed in its entirety with funds that are in an expired or lapsed status. Cost increases are allowable only for valid pricing adjustments, which exclude any work not in the scope of the original contract.

d. Requests for reprogramming shall not be submitted when any of the following conditions exist:

(1) For any project or effort not authorized by either the National Defense Authorization Act, one of the special authorities listed above, or "lump sum" authorization for National Guard and Reserve projects.

(2) For any project or effort that, for any reason, has been denied specifically by Congress, as indicated by report language or by the deletion of funds, unless language specifically states that a subsequent reprogramming shall be required or entertained, or when the requirement qualifies as an emergency as defined in 10 USC 2803.

(3) To initiate programs of major scope or base realignment actions, when such larger efforts have not been authorized by Congress.

4. Reprogramming sources. Funds which are to be used as reprogramming sources must be taken from projects for which appropriated funding was available in the year in which the requirement project was appropriated, and are still available for obligation in the current year. Funds which are currently in expired status may not be used as a source for reprogramming.

For example, funds for a FY99 requirement for which reprogramming is required in FY00 may be used from projects which were appropriated between FY96 and FY99, as those funds are still available for obligation in FY00. However, FY95 funding may not be used, as it is not available in FY00. In accordance with the concept of split-year funding (see paragraph 8.f. below) resources made available for reprogramming remain in the original appropriation for fund control and accounting purposes, and retain the life of the original appropriation.

5. Procedures for Reprogramming Requests.

a. Reprogramming requests are prepared by the Office of the Chief of Engineers, Director of Military Programs (for MCA); Office of the Chief of Army Reserve (for MCAR); Office of the Chief of Installations, Army National Guard (for MCNG); or the Office of the Assistant Chief of Engineers (for AFHC and AFHO). The preparer of the action is responsible for formally coordinating the action with appropriation and program managers, DAEN-ZCR and DAMO-ZR, prior to submission to SAFM-BUC-E. The preparer should also informally coordinate the action with SAFM-BUI-F, SAFM-BUL, SALL, and the OUSD(C) Military Construction Directorate. Once coordination is complete, submit to SAFM-BUC-E the reprogramming package, which includes:

(1) A transmittal memorandum addressed through the Director of the Army Staff and the Assistant Secretary of the Army (Installations, Logistics and Environment) (ASA(IL&E)) for the Assistant Secretary of the Army (Financial Management and Comptroller) (ASA(FM&C)), which briefly states the purpose of the reprogramming and supplementary narrative information, if required. The memorandum will state that the action has been coordinated with appropriation and program managers, DAEN-ZCR and DAMO-ZR, and will be signed by the Director of Military Programs; Chief of Army Reserve; Chief of Installations, Army National Guard; or the Assistant Chief of Engineers, respectively.

(2) The reprogramming request format, which details the installation, project, authorization, original cost of the project, amount being reprogrammed, a description and justification of the requirement, and source of funds. See paragraph b. below for preparation instructions.

(3) A DD Form 1391 (Military Construction Project Data Report), if it is a new project that the committees are seeing for the first time. Generally, use of the DD 1391 is restricted to situations in which the emergency provisions of 10 USC 2803 are being exercised; the provisions of 10 USC 2854 are being invoked to replace a damaged or destroyed facility; a project is being funded from savings; or a project has been added by Congress without the benefit of official records reflecting the scope of the project involved.

(4) A copy of the cost variation report, if required under the provisions of 10 USC Section 2853, "Authorized cost variations". Cost variation reports are prepared by ASA(IL&E) and are submitted to the Armed Services committees. A report is required on the project being increased if the amount of the increase exceeds 25% of the total project cost. Cost variation reports are not normally required for MCAR and MCNG projects. ASA(IL&E) will transmit the original report to the Armed Services committees as an enclosure to the notification letters (see below) at the time the reprogramming request is transmitted to the Appropriations committees by DoD.

(5) Copies of notification letters for the Armed Services Committees. The committees are notified of all reprogramming actions as a courtesy. The original letters will be signed and sent to the committees by ASA(IL&E) when the reprogramming is submitted by DoD to the Appropriations Committees. If required, the cost variation report will be included with the notification letters when they are sent to the committees.

b. Preparation of Reprogramming Request. The reprogramming request must include the following information:

(1) Headings. Show the title of the affected appropriation. In the upper left corner, enter the bid expiration date of the project contract (if applicable).

(2) Installation. Enter the location of the project being increased.

(3) Project. Enter the project title as it appears in the appropriations conference report, and the project number.

(4) Authorization. Enter the title and fiscal year of the National Defense Authorization Act in which the project was first authorized, and the public law number.

(5) Estimated Cost. This section reflects the funding history of the project. Enter the amount originally appropriated for the project, the total amount of any reprogrammings which have been previously executed, the amount of the current reprogramming request, and the revised estimated cost. If any reprogrammings have been accomplished within Army authority, that is, below the thresholds specified above, those actions should be identified under a separate line.

(6) Description. This narrative provides a brief description and history of the project.

(7) Justification. This narrative addresses the current reprogramming request and provides full justification for the requirement. These narrative sections should clearly describe the project history and the requirement for additional funds, and should be consistent with the funding history provided in the "Estimated Cost" section.

(8) Source of Funds. This section identifies the fund sources and the reason the funds are available (e.g., bid savings or project cancellation). Enter in this section the location and project title(s) and number(s); the fiscal year in which the project was first authorized; the appropriated amount; the authorized amount; the current working estimate; and the amount proposed for reprogramming.

c. All source funds identified on the reprogramming action must be shown on PBAS as undistributed at DA or OSD level at the time the reprogramming action is submitted to SAFM-BUC-E. There will be no exceptions to this rule without the written approval of the Deputy or Assistant Deputy ASA for Budget.

d. SAFM-BUC-E will review the action, prepare a transmittal memorandum to the Comptroller of the Department of Defense for the signature of the ASA(FM&C), and formally coordinate with SAFM-BUI-F, SAFM-BUL and OCLL before submitting the action for signature. SAFM-BUC-E, the Funds Control Office will also coordinate on the action, stating that the source funds are on DA or OSD withhold. The reprogramming package submitted to DoD consists of the ASA(FM&C) transmittal memorandum; the reprogramming request; DD Form 1391, if required; and a copy of the cost variation report, if required.

e. When the transmittal memorandum is signed, SAFM-BUC-E will carry the action to the Military Construction Directorate of OUSD(C). Actions delivered to OUSD(C) by the 10th calendar day of the month are normally included in DoD's monthly package to the Appropriations Committees. If the 10th falls on a weekend or holiday, the due date is the next workday. In order to have an action included in the monthly package, it should be submitted to SAFM-BUC-E with sufficient lead time to allow full review and coordination before submission to OUSD(C) by the 10th of the month. OUSD(C), in turn, reviews the action, consolidates it with other pending actions and submits a reprogramming package (which may contain actions from all Services) to Congress.

f. MILCON reprogrammings are sent to the HAC and the SAC for approval. Formal Congressional letters of approval are required. These letters respond to DoD packages, with guidance on specific projects itemized in the letters. Normally approval takes two to three months. Once OUSD(C) (Construction) receives Congressional letters of approval, an implementation memorandum is prepared and sent to Army for action. The reprogramming may not be executed until the memorandum with Congressional approval letters is received from OUSD(C).

g. An unfavorable Congressional committee decision on a reprogramming action may be appealed by DoD. Appeals are subject to the same review and approval procedures as the original reprogramming.

5. **Timing of Reprogramming Requests.** Reprogramming requests for current year MILCON appropriations may be initiated after enactment of the MILCON Appropriations Act for those appropriations, and may be submitted at any time during the life of the appropriation.

a. Continuing Resolution Authority (CRA) restrictions. Reprogrammings involving new appropriations may not be initiated prior to enactment of appropriations; that is, they may not be initiated while the appropriation is under the restrictions of a CRA. However, reprogrammings for previously enacted available appropriations may be submitted during a CRA period.

b. Monthly submission of reprogrammings to Congress. Each month, OUSD(C) (Construction) prepares a consolidated package of reprogramming requests for submission to the Congress, which contains all requests received from the Services during the previous month. The deadline for submission of reprogrammings for inclusion in the monthly package is the 10th calendar day of the month. If the 10th falls on a weekend or holiday, the due date is the next workday. In order to have an action included in the monthly package, it should be submitted to SAFM-BUC-E with sufficient lead time to allow full review and coordination before submission to OUSD(C) by the 10th of the month. It should be noted that OUSD(C) will not generally process reprogramming requests between October and December, except in the most unusual circumstances.

c. Other reprogramming requests. Reprogrammings shall normally be forwarded on a monthly basis to the Congressional committees, as part of the package consolidated by OUSD(C). If exceptions to this cycle are required, such as yearend reprogrammings, OUSD(C) will notify the Services separately. Urgent reprogrammings, warranting action in advance of the next regular monthly submission, will be evaluated and processed on a case-by-case basis. Such urgent, out-of-cycle reprogrammings are expected to be extremely rare. In no case shall correctable situations, such as impending bid expiration dates, be used to request out-of-cycle processing.

6. Implementation of Approved Reprogrammings. When an action has been approved by the Congress, OUSD(C) (Construction) will issue a memorandum to the Army stating that the action is approved for implementation. The memorandum will include copies of approval letters from the HAC and SAC. The action may not be implemented until OUSD(C) issues this memorandum. Because MILCON reprogrammings do not transfer funds between appropriations, revision of disbursement authority is not required. Revision of obligation authority is required only if the action realigns funds between budget activities. Program authority, which is provided at the project/budget authority level, must be revised to reflect the project or budget authority increases and decreases. A revised Military Construction and Family Housing Program/Fund Approval (SD 460) is prepared by Army upon receipt of the implementation memorandum, and is forwarded to OUSD(C) (Construction) for approval. OUSD(C) will issue the revised approved SD 460.

7. Military Construction Letter Notifications. Letter notifications, for actions which do not require formal approval but do require notification of the Congressional committees (as detailed in paragraph 3.b. above), are prepared by the Office of the Assistant Chief of Staff for Installation Management (for MCA); the Office of the Chief of Army Reserve (for MCAR); the Office of the Chief of Installations, Army National Guard (for MCNG); and SAFM-BUI-F (for AFHO). The letters are prepared for the signature of the ASA(FM&C). Letters are sent to the Appropriations and Armed Services committees, in accordance with the timing requirements in paragraph 3.b. The preparer of the letters is responsible for formally coordinating the action with appropriation and program managers, DAEN-ZCR and DAMO-ZR, prior to submission to SAFM-BUC-E. The preparer should also informally coordinate the action with SAFM-BUI-F, SAFM-BUL, SALL, and the OUSD(C) Military Construction Directorate. Once coordination is complete, submit the letters to SAFM-BUC-E.

a. Original letters are prepared on ASA letterhead, and open with the salutation "Dear Mr. Chairman:" or "Dear Madam Chairman:". The letters should begin with a statement to this effect: "This letter provides notification that the reprogramming threshold for a budget account/sub-element within Army Family Housing Operations has been exceeded"; or "This letter provides notification that the cost of a Military Construction, Army Reserve Minor Construction project is being increased." There should follow a brief description of the subject project and an explanation for the reprogramming requirement or cost increase. The letter will close with the signature block for the ASA(FM&C), and will have "Copy Furnished:" for the individuals listed below beneath the signature block. SAFM-BUC-E will provide the correct names and addresses of the current Congressional committee chairmen and ranking minority members. One letter should be prepared for each of the following:

-- the chairman of the Subcommittee on Military Construction of the HAC, with courtesy copies provided to the ranking minority member of the Subcommittee, the chairman of the HAC, and the ranking minority member of the HAC;

-- the chairman of the Subcommittee on Military Construction of the SAC, with courtesy copies provided to the ranking minority member of the Subcommittee, the chairman of the SAC, and the ranking minority member of the SAC;

-- the chairman of the HASC, with a courtesy copy provided to the ranking minority member of the HASC;

-- the chairman of the SASC, with a courtesy copy provided to the ranking minority member of the SASC.

b. SAFM-BUC-E will formally coordinate the letters with appropriation points of contact and with SAFM-BUL and OCLL. The letters are then forwarded to the ASA(FM&C) for signature. Once they are signed, SAFM-BUL and OCLL will carry the letters to the Congressional committees. Notification letters are not submitted by DoD to the Congress, but are signed out and sent directly by the affected Service. Copies of the signed letters are provided to OUSD(C) (Construction) when the letters are carried to the Congress.

c. The committees have specified time periods to respond to letter notifications, depending on the purpose of the letter, as detailed in paragraph 3.b. The waiting period is not affected by whether or not Congress is in session, as staff members continue to work even when Congress is in recess. The committees may respond either formally (via letter) or informally (with a verbal query or response), or they may choose not to respond. One committee's denial of a request causes it to be disapproved, regardless of the other committees' responses. At the end of the waiting period, SAFM-BUC-E will request that SAFM-BUL and OCLL contact the Congressional committees to ensure that they have no objections or other requirements associated with the notification. Once SAFM-BUL and OCLL have informed SAFM-BUC-E that there is no objection, SAFM-BUC-E will inform the appropriation sponsors in writing of that fact. The proposed action will not be implemented until the waiting period has passed and written notification has been received from SAFM-BUC-E that the action is approved.

8. Additional Guidance.

a. Foreign Currency Reprogrammings. MILCON foreign currency reprogrammings (those that transfer funds to or from the Foreign Currency Fluctuations, Construction, Defense account) will be processed as Internal Reprogrammings (DD 1415-3) by OUSD(C) based on information provided by the appropriation sponsor. See Chapter 3 for procedural guidance.

b. Intelligence-Related Reprogrammings. Actions involving intelligence items must be coordinated through the Deputy Assistant Secretary of Defense (Intelligence) prior to initiating action. If the action is intelligence related, the reprogramming transmittal letter and reprogramming action must so state. National Foreign Intelligence Program actions must be coordinated with the Director of Central Intelligence and a statement to that effect must also appear in the reprogramming. See special instructions in Chapter 3.

c. Special Access Program Reprogrammings. Vice Chief of Staff approval is required prior to initiating action. See special instructions in Chapter 3.

d. Funding for Projects with Special Authorizations. The MILCON Appropriations Act includes line items for Unspecified Minor Military Construction, Army (UMMCA) and Army Family Housing Improvements (AFHI). These UMMCA and AFHI funds can be used for projects authorized by 10 USC 2805 and 10 USC 2825 without a reprogramming request. However, any increase to the UMMCA account above the amount appropriated requires a reprogramming action.

e. Increases in Funding. UMMCA projects are not normally subject to formal reprogramming procedures. When a UMMCA project has an increase that exceeds the cost variation limits of 10 USC 2853 (25%), a revised project approval will be obtained rather than a reprogramming. If, however, a UMMCA project cost must be increased above \$1.5 million, then the reprogramming rules above will apply. This requirement applies to UMMCA and AFHI projects only if the increase will cause the project costs to exceed \$1.5 million, or to newly created AFHI projects that exceed \$1.5 million. Note that this cost flexibility applies to projects that are newly authorized under the special authorities listed above as well as those authorized in the DoD Authorization Act.

f. Split-Year Funding Authority. The appropriations committees have agreed to allow split-year funding for military construction and family housing construction projects. Split-year funding occurs when a project is financed by funds from more than one currently available program year (appropriation). Resources made available for split-year funding remain in the original appropriation for fund control and accounting purposes, and retain the life of the original appropriation. Projects that have been funded in phases by Congress are not considered split-year funded.

REPROGRAMMING ACTION – PRIOR APPROVAL

Appropriation Account Title: Operation and Maintenance, Army, FY 2000;
Military Personnel, Army, FY 2000 (Includes Transfer)

DoD Serial Number:
FY 00-12 PA

Component Serial Number:
FY 00-01 PA

(Amounts in Thousands of Dollars)

LINE ITEM	Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a	b	c	d	e	f	g	h	i

This reprogramming is submitted for prior approval because it uses general transfer authority, pursuant to section 8005 of Public Law 106-79, the DoD Appropriations Act, 2000, and section 1001 of Public Law 106-65, the National Defense Authorization Act for FY 2000. This action meets all administrative and legal requirements of the Congress and has not previously been denied by the Congress. This action is included in the FY 2001 President's Budget.

REPROGRAMMING INCREASE: **+30,000**

Operation and Maintenance, Army, FY 2000 **+30,000**

<u>Budget Activity 3: Training and Recruiting</u>	3,250,572	3,265,011	+30,000	3,295,011
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Explanation: Funds are required to support critical enlisted recruiting and officer accession programs in order to meet the Army's congressionally mandated personnel floor and to maximize effective efforts to achieve accession goals in a challenging recruiting environment. The funds will provide for additional recruiters, expanded training of recruiters, additional support to enhance recruiters' efforts, improved automation support, and new advertising initiatives.

REPROGRAMMING DECREASE: **-30,000**

Military Personnel, Army, FY 2000 **-30,000**

<u>Budget Activity 2: Pay and Allowances for Enlisted Personnel</u>	13,384,702	13,362,002	-30,000	13,332,002
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Explanation: Funds are available from cost savings accrued in FY 2000 due to under execution of the manpower program. The estimated savings include base pay, retired pay accrual, housing allowances, and FICA associated with the reduction of 1,418 average strength.

Approved (Signature and Date)
Signed by Mr. William J. Lynn on March 24, 2000.

REPROGRAMMING ACTION - INTERNAL									
Appropriation Account Title : Operation and Maintenance, Army, FY 2000; Other Procurement, Army, 00/02						DoD Serial Number: FY 00-14 IR			
Component Serial Number: 00-2 IR		(Amounts in Thousands of Dollars)							
		Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
LINE ITEM		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a		b	c	d	e	f	g	h	i
<p>This internal reprogramming action realigns \$5.0 million from Other Procurement Army, 00/02, to Operation and Maintenance, Army, FY 2000, for proper execution. This transfer does not change the purpose for which the funds were originally appropriated. This action uses general transfer authority pursuant to section 8005 of Public Law 106-79, the DoD Appropriations Act, 2000; and section 1001 of Public Law 106-65, the National Defense Authorization Act for FY 2000. This action meets all administrative and legal requirements of the Congress and the Congress has not denied any of the funds.</p>									
<u>FY 2000 REPROGRAMMING INCREASE:</u>						<u>+5,000</u>			
<u>Operation and Maintenance, Army, FY 2000</u>									
<u>Budget Activity 4: Administration and Servicewide Activities</u>									
		5,654,750		5,654,750		5,000		5,659,750	
<u>FY 2000 REPROGRAMMING DECREASE:</u>						<u>-5,000</u>			
<u>Other Procurement, Army, 00/02</u>									
<u>Budget Activity 2: Communications and Electronics Information</u>									
Systems Security Program		57,450		57,450		-5,000		52,450	
<p><u>Explanation:</u> The FY 2000 Defense Appropriations Act provided \$15 million of Other Procurement, Army funds in the Information Systems Security Program (ISSP) line for assessment of biometrics systems. The reprogrammed funds will be used to support two study efforts. The repository study (\$1.9 million) will consider the management, warehousing and distribution of biometrics templates. The global study (\$3.1 million) will consider the socio-legal aspects of the biometrics effort and document the laws, processing and policies concerning world-wide use of biometrics. This reprogramming realigns funds for proper execution of these studies.</p>									
<p>Approved (Signature and Date) Signed by Mr. William J. Lynn on January 24, 2000.</p>									



REPLY TO
ATTENTION OF

**DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON DC 20310-0109**

NOV 18 1999

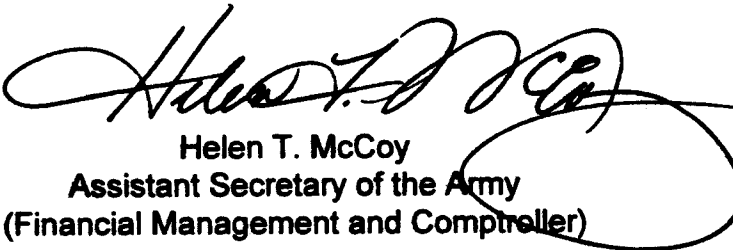
Honorable David Hobson
Chairman
Subcommittee on Military Construction
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The purpose of this letter is to notify the Committee that a Fiscal Year 2000 Army Family Housing funded account is being revised to reflect current requirements. An increase in excess of ten percent requires notification in accordance with Fiscal Year 2000 House MILCON Appropriations Committee Report 106-221.

The Army Family Housing Miscellaneous account includes funding for payment to non-Department of Defense agencies for housing provided to U.S. soldier families. The account is being increased in excess of the amounts appropriated in order to satisfy current year requirements detailed in the enclosed justification.

Sincerely,



Helen T. McCoy
Assistant Secretary of the Army
(Financial Management and Comptroller)

Enclosure

cc: Honorable John Olver
Ranking Democrat

Military Construction, Army
Reprogramming Request

INSTALLATION:

Fort Sam Houston, Texas

PROJECT:

Dining Facility, Project No. 40630

AUTHORIZATION:

Strom Thurmond National Defense Authorization Act for FY 1999, Public Law 105-261

ESTIMATED COST:

Previously Appropriated	5,500,000
Below Threshold Reprogramming	1,375,000
Requested Reprogramming	<u>855,000</u>
Total Estimated Cost	7,730,000

DESCRIPTION:

This project will construct a standard dining facility with necessary supporting utilities and site improvements. It replaces an obsolete dining facility and provides dining space for 1,300 soldiers including the Advanced Individual Training students assigned to the Army Medical Detachment Center and School.

JUSTIFICATION:

This project was advertised as a two-step, unrestricted, design-build solicitation. Adequate competition was demonstrated in the first stage of the solicitation on 15 June 1999 and in the final negotiations. Best and final offers were received on 20 September 1999. All offers exceeded the funds available. The CWE based on the low offer is \$7,730,000. The cost increase is attributed to a booming construction market and an update to the standard design. The project has been designed to meet the minimum essential requirements of the assigned mission. The scope was reviewed and no reductions can be obtained without sacrificing operational necessities.

SOURCE OF FUNDS:

Bid savings from the following project will fund the increased cost:

<u>Proposed Location/ Project</u>	<u>Fiscal Year</u>	<u>Approp Amt (\$000)</u>	<u>Auth Amt (\$000)</u>	<u>Current Est (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
Kwajalein Atoll Power Plant PN 50790	2000	35,400	35,400	27,000	855



REPLY TO
ATTENTION OF

**DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON DC 20310-0109**

MAR 01 2000

The Honorable Ike Skelton
Ranking Minority Member
Committee on Armed Services
United States House of Representatives
Washington, D.C. 20515

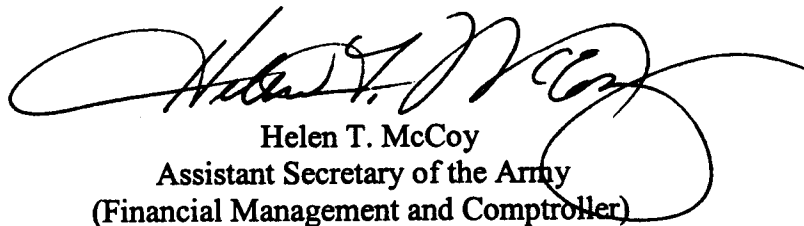
Dear Representative Skelton:

This letter provides notification of my intent to reprogram \$535 thousand of FY 1999 Research, Development, Test and Evaluation, Army (RDTE, A) funds in order to initiate a Live Fire Test and Evaluation of the Kiowa Warrior aircraft. Live fire testing is scheduled for the Kiowa program in April 2000. This reprogramming will initiate a new start in RDTE.

The Army intends to reprogram \$535 thousand to the Kiowa Warrior program (program element 654220, project D538) from FY99 funds available from program element 273801, project D303, Stinger Block II. Since the Stinger Block II Program has been terminated as part of the Army transformation, there will be no impact on the Stinger Block II program from this reprogramming. If this reprogramming is not accomplished, live fire testing for Kiowa Warrior will not begin until FY 2001.

If you have any concerns, please contact me at your convenience. My staff and I stand ready to answer any questions you may have.

Sincerely,



Helen T. McCoy
Assistant Secretary of the Army
(Financial Management and Comptroller)

JUSTIFICATION
Transfer In Excess of Ten Percent
Army Family Housing

<u>ACCOUNT</u>	<u>FY 1999 ACTUALS</u> (\$000)	<u>FY 2000 APPROPRIATION</u> (\$000)	<u>INCREASE DECREASE</u> (\$000)	<u>FY 2000 REVISED</u> (\$000)
Miscellaneous	\$600	\$482	+\$193	\$675 (+40%)

Army Family Housing (AFH) Fiscal Year 2000 requirements in the Miscellaneous account are \$193 thousand above the \$482 thousand appropriated. This account includes funding for payment to non-DoD agencies for housing provided to U.S. soldier families. Soldiers using non-DoD housing include recruiters, reservists, and personnel supporting ROTC.

The increased requirement reflects costs for Army families in Coast Guard housing at Alameda, California and Aguadilla, Puerto Rico. The total revised Miscellaneous account requirement is \$675 thousand in Fiscal Year 2000. The increase is funded by reprogramming savings from the AFH Utilities account.